



Press Release

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Governor Beebe and Arkansas Section 529 Plan Review committee encourage families to consider 529 plans to help achieve their education goals

LITTLE ROCK, Ark. (August 22, 2011) – Governor Mike Beebe, Treasurer Martha Shoffner, and the Arkansas Section 529 Plan Review Committee (529 Committee) have joined governors and treasurers around the nation in declaring September “College Savings Month” to increase awareness among families about the importance of saving for their children’s higher education expenses and reducing reliance on debt.

At an August 22 press conference held in the rotunda of the State Capitol Building in Little Rock, Gov. Beebe issued a proclamation designating the month of September as College Savings Month and members of the 529 Committee: Martha Shoffner, committee chairman and Arkansas Treasurer of State; George Hopkins, director of the Arkansas Teacher Retirement System; and Shane Broadway, director of the Arkansas Department of Higher Education; outlined the importance of education beyond high school for all Arkansans and the importance of early financial planning to maximize a student’s chances of success. Also participating in the announcement was Jeff Howkins, president of Upromise Investments, which serves as the 529 Plan administrator for the state.

“Arkansas families work hard to provide their children with the brightest futures possible, which is why it is so important for them to start saving for higher education as early as possible,” said Treasurer Shoffner. “529 college savings plans offer a convenient, tax-advantaged way to plan and save for college, and with the state of Arkansas offering two highly regarded and flexible 529 plans, the GIFT Plan and the iShares529 Plan, nearly every family can find a plan to help them meet their needs and goals.”

529 plans are designed to give parents, grandparents, friends and others an opportunity to save for college with tax advantages to encourage that saving. For instance, all money grows federal and state income-tax free and all earnings used to pay for higher education are exempt from federal and state income taxes. Also, Arkansans who invest for future higher education expenses in one of the two Arkansas plans may deduct up to \$5,000 annually (\$10,000 for married couples) from their Arkansas state tax.

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In addition, companies around the state are encouraged to consider offering the GIFT Plan as a voluntary benefit for employees during the next open enrollment period. Payroll direct deposit lets employees save for higher education with every paycheck. This benefit can also make a company stand out from its competitors.

“Offering the GIFT Plan is a great opportunity for employees in Arkansas to save for their children, grandchildren, or even for their own career training,” Shoffner stated, “especially with the option of direct payroll deposit, which is a free benefit. It’s good for employees and good for their employers.”

According to The College Board, in 2008, median family income for individuals with a bachelor's degree or more was \$101,099, compared to \$49,414 for those with a high school diploma. A 2010 study by the Center for Social Development found that having savings over a period of years may raise a young person’s educational expectations. Higher expectations may lead to increased academic efforts and achievement. The same study also found that students who have funds saved for higher education in their name are seven times more likely to attend college than youth without a dedicated account.

For more information about The GIFT College Investing Plan call 1-800-587-7301 or visit www.thegiftplan.com to obtain a Program Description and Participation Agreement, which includes investment objectives, risks, charges, expenses and other information; read and consider it carefully before making an investment or sending money.